

PART II

DEBT MANAGEMENT TOOL AND TECHNIQUE PERFORMANCE DATA

Part II of the Receivables Report contains management information on the status of delinquent debt by collection management tools and techniques and by age, debt disposition, and costs associated with collection tools and techniques.

PART II

SECTION A: DELINQUENT DEBT 180 DAYS OR LESS

Part II - Debt Management Tool and Technique Performance Data	DOLLARS		
	Number	Principal	Interest & Late Charges
Section A			
Delinquent Debt 180 Days or Less			
(1) At Agency			
(2) In Wage Garnishment			
(3) At Private Collection Agencies			
(4) At Treasury Cross Servicing			
(5) At Treasury for Offset			
(6) In Litigation			

General

Section A - Delinquent Debt 180 Days or Less - captures delinquent debt information on the following collection tools: at agency, wage garnishment, private collection agency, Treasury, and litigation. Report adjusted delinquencies in this Section. This section is designed to provide specific information on the actions an agency is taking to collect its debts between 1 and 180 days delinquent.

Lines 1 through 6 of this Section should equal the sum of Adjusted Delinquencies on lines 4A and 4B of Section C, Part I.

By Line

- (1) At Agency. The number and dollar amount of delinquent debt being worked at the agency. Debt being worked at the agency could be under appeal, in Forbearance Programs, in internal Offset, in Counsel, or pending referral to the Department of Justice for litigation.
 - (2) In Wage Garnishment. The amount of delinquent debt for which the agency is pursuing administrative wage garnishment. Do not include garnishment actions being pursued by the Department of Justice; these actions would be reported as in litigation on line 6 of this Section.
 - (3) At Private Collection Agencies. The amount of delinquent debt outstanding at private collection agencies.
 - (4) At Treasury Cross Servicing. The number and dollar amount of debt outstanding at Treasury for cross servicing.
 - (5) At Treasury for Offset. The number and dollar amount of debt outstanding at Treasury for offset. The Treasury Offset Program combines Administrative and Salary Offsets.
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This amount will also include delinquent accounts referred for tax refund offset.

- (6) In Litigation. The dollar amount of delinquent debts outstanding at the Department of Justice for litigation.

PART II

SECTION B: DELINQUENT DEBT 181 DAYS and OVER

Part II - Debt Management Tool and Technique Performance Data	DOLLARS		
	Number	Principal	Interest & Late Charges
Section B			
Delinquent Debt 181 Days and Over			
(1) At Agency			
(A) Under Appeal			
(B) Forbearance Programs			
(C) Internal Agency Offset			
(D) Agency Counsel Activity			
(2) At Other Third Party			
(3) In Wage Garnishment			
(4) Scheduled for Sale			
(5) At Private Collection Agencies			
(A) At Private Collection Agencies Only			
(6) At Designated Debt Collection Center(s)			
(7) At Treasury Cross Servicing			
(8) At Treasury for Offset			
(A) At Treasury for Offset Only			
(9) In Foreclosure			
(10) In Litigation			
(11) In Other			

General

Section B - Delinquent Debt 181 Days and Over - captures delinquent debt information on the following collection tools: at agency and under appeal, in forbearance programs, in internal offset, or in Counsel, at other third party, wage garnishment, assets scheduled for sale, private collection agency, designated debt collection center(s), Treasury cross servicing, Treasury offset, foreclosure, and litigation.

This information is being requested to assist in the identification of what actions agencies are taking to collect seriously delinquent debt, relative to compliance with the requirements of the Debt Collection Improvement Act (DCIA) of 1996. The DCIA requires agencies to (1) notify Treasury of all debts delinquent more than 180 days so that Treasury may offset payments to recover the amount of the debt and (2) refer to Treasury all debts delinquent more than 180 days for delinquent debt collection, with some exceptions.

The following criteria must be used when preparing this section:

- **Categories are not always mutually exclusive. An agency may refer a debt to a private collection agency and to Treasury for offset at the same time. This debt should be reported in both places.** Report debt that is only at a private collection agency or Treasury for offset on the appropriate designated lines.
- **Debts at Treasury for cross servicing, a designated debt collection center, other third party, or the Department of Justice for litigation will not be reported in any other category, even though the entity working the debt may have referred it to a private collection agency or to Treasury for offset.**

Exception: if the agency has referred a debt to Treasury for cross servicing, a designated debt collection center,

other third party, or the Department of Justice and to Treasury for offset, the agency would report the debt in both places.

By Line

- (1) At Agency. Under this grouping, report the number and dollar amount of delinquent debt 181 days or over that is still at the agency. Debt in this group will be classified in **one** of the following categories.
- A. Under Appeal. The debt is in a formal appeals process at the agency. The results of this appeal affect whether a debt is considered valid and legally enforceable and/or the dollar amount to be collected.
- B. Forbearance Programs. Collection of the debt is deferred because of a formal forbearance program.
- C. Internal Agency Offset. The agency is enforcing collection of the debt through an internal offset. Internal offset occurs when an agency collects a delinquent debt by offsetting payments made or due to the delinquent debtor by another program within that agency.
- D. Agency Counsel Activity. The debt has been referred to agency counsel for action.
- (2) At Other 3rd Party. The number and dollar amount of delinquent debt outstanding at a party other than the Department of Justice or private collection agency, such as a guaranty agency or financial institution which is servicing the delinquency on behalf of the agency. Amounts reported on the line must be footnoted and the 3rd party identified.
- (3) In Wage Garnishment. The number and dollar amount of delinquent debt outstanding that is in a process of a non-
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judicial garnishment of private sector wages. Do not include Federal salary offset.

- (4) Scheduled for Sale. The number and dollar amount of delinquent debt outstanding that is scheduled for sale under an approved asset/debt sale program.
- (5) At Private Collection Agencies. The number and dollar amount of delinquent debt outstanding at a private collection agencies. Debts reported on this line could also be reported in other categories in this section.

A. At Private Collection Agencies Only. The number and dollar amount of delinquent debt outstanding that is only at private collection agencies. The amounts reported here are **not** included in any other category in this section. The numbers and amounts reported in this line may be the same as those reported in (5).

- (6) At Designated Debt Collection Center(s). The number and dollar amount of delinquent debt outstanding at a designated debt collection center.
- (7) At Treasury Cross Servicing. The number and dollar amount of delinquent debt outstanding at Treasury for cross servicing. If debts come back to the agency for write-off concurrence, the agency would still report the debt in this category.
- (8) At Treasury for Offset. The number and dollar amounts of delinquent debt outstanding at Treasury for offset. The Treasury Offset Program combines Administrative and Salary Offsets. This amount will also include delinquent accounts referred for tax refund offset.

A. At Treasury for Offset Only. The number and dollar amounts of delinquent debt outstanding that is only at Treasury for offset. The amounts reported here are **not**

included in any other category in this section. The numbers and amounts reported in this line may be the same as those reported in (8).

- (9) In Foreclosure. The number and dollar amount of delinquent debt which are in foreclosure. To be “in foreclosure”, a notice of default must have been filed.
- (10) In Litigation. The number and dollar amount of delinquent debt outstanding at the Department of Justice for litigation. Do not include amounts referred to Justice for concurrence in compromise, suspension or termination action.
- (11) In Other. The number and dollar amount of delinquent debt outstanding in a category other than the ones listed above. ***This line is for future use and should only be reported on by authority from Treasury, FMS.*** This line must be footnoted to include the type of debt management tool or technique in use.

PART II

SECTION C: DEBT DISPOSITION

Part II - Debt Management Tool and Technique Performance Data	DOLLARS		
	Number	Principal	Interest & Late Charges
Section C Debt Disposition			
(1) Written Off and Not Closed Out			
(A) At Private Collection Agencies			
(B) At Designated Debt Collection Center(s)			
(C) At Treasury for Cross Servicing			
(D) At Treasury for Offset			
(E) Other			
(2) Reported to IRS on Form 1099-C			

General

Section C - Debt Disposition - captures information on the number and dollar amount of selected categories of written off delinquent debt. The purpose of requesting the information in this section is to identify the amount of debt which has been written off, but on which the agency is still pursuing collection action.

The number and amount for line 1 of this Section may be a cumulative number, representing all written off debt from the current or preceding fiscal years, on which the agency is continuing to pursue collection action.

By Line

(1) Written-off and Not Closed-Out. The number and dollar amount of receivables that have been written-off (removed from agency accounting records) and not closed-out (reported to the IRS on form 1099-C). This line should equal the sum of lines A through E of this section.

A. At Private Collection Agencies. The number and dollar amount of receivables that have been written-off but are still being pursued for collection by a private collection agency.

B. At Designated Debt Collection Center(s). The number and dollar amount of receivables that have been written-off, but whose collection is being pursued by a Designated Debt Collection Center(s).

C. At Treasury for Cross-Servicing. The number and dollar amount of receivables that have been written-off but whose collection is being pursued by Treasury under its cross-servicing program.

D. At Treasury for Offset. The number and dollar amount of receivables that have been written-off and referred to

Treasury to be entered in the Treasury Offset Program delinquent debtor database.

E. Other. The number and dollar amount of receivables that have been written-off and not included in lines 1A through 1D. Amounts reported in this line should be footnoted to explain other circumstances.

- (2) Reported to IRS on Form 1099-C. The number and dollar amount of debt that has been reported as income to the IRS on Form 1099-C during the fiscal year. Reporting to IRS always occurs in the 2nd Quarter of the fiscal year (February). For example, if a debt is written-off in March 1995 and the agency decides to terminate all efforts to collect it in June 1996, the debt would be reported to IRS in February 1997, and reported to FMS on the 2nd quarter 1997 report.

PART II

SECTION D: COST ASSOCIATED WITH COLLECTION TECHNIQUES AND TOOLS

Part II - Debt Management Tool and Technique Performance Data	DOLLARS		
	Number	Principal	Interest & Late Charges
Section D			
Costs Associated with Collection Techniques and Tools			
(1) Agency Cost			
(2) Other Third Party			
(3) Wage Garnishment			
(4) Asset Sales			
(5) Referrals to Private Collection Agencies			
(6) Designated Debt Collection Center(s)			
(7) Referrals to Treasury Cross Servicing			
(8) Treasury Offset Program			
(9) Foreclosure			
(10) Litigation			
(11) Other			

General

Section D - Cost Associated with Collection Techniques and Tools
- shows the dollar amount of direct cost incurred to collect debts by collection management tools and techniques. Costs of collection, as compared to results as measured by collections, are of particular interest, in accordance with goals and objectives of the Government Performance and Results Act.

All reporting in this section is to be submitted at the end of the fiscal year. Report zeros for quarters one (1) through three (3). The information in this Section is cumulative.

By Line

- (1) Agency Cost. Includes costs associated with agency salaries, system support, postage, skiptracing, purchasing credit reports, asset searches, and interagency Memoranda of Understanding attributable to the collection effort of accounts held by the Agency.
 - (2) Other Third Party. Includes costs associated with collections actions taken by a third party, other than a private collection agency or the Department of Justice.
 - (3) Wage Garnishment. Includes costs associated with individual agency salaries and system support cost attributable to collections made as the result of wage garnishment.
 - (4) Asset Sales. Includes costs associated with conducting an asset sale, such as commissions, agency salaries, system support, and postage.
 - (5) Referrals to Private Collection Agencies. Includes private collection agency commissions or contingency fees, incentive and bonus payments on all dollars collected by
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Private Collection Agencies. Also included as agency costs to support the private collection agency referral activity.

- (6) Designated Debt Collection Center(s). Includes all fees paid to a designated debt collection center for its collection efforts. Costs incurred by the center(s) for collections by a private collection agency or for litigation would be reported in this line as the costs of referral to the center(s).
- (7) Referrals to Treasury Cross Servicing. Includes all fees paid to Treasury for its collection efforts. Costs incurred by the Treasury for collections by a private collection agency or for litigation would be reported in this line as the costs of referral.
- (8) Treasury Offset Collections. Corresponding per account cost charged by Treasury (Internal Revenue Service, Financial Management Service) for offset processing.
- (9) Foreclosure. Includes Department of Justice fees and other professional charges assessed to complete the foreclosure of an account. Also included as agency costs to support the foreclosure activity
- (10) Litigation. Includes Department of Justice fees to enforce collection through litigation. Also included as agency costs to support the litigation activity
- (11) Other. This line is for future use and can only be reported on by authority from Treasury, FMS.